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FISCAL IMPACT STATEMENT

LS 6785

BILL NUMBER: SB 381

NOTE PREPARED: Dec 19, 2003

BILL AMENDED:

SUBJECT: Health Benefit Mandate Moratorium.

FIRST AUTHOR: Sen. Hershman

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill places a temporary moratorium on new state-mandated health benefits for a certain period.

Effective Date: July 1, 2004.

Explanation of State Expenditures: This bill could affect future state expenditures to the extent that placing a temporary moratorium (from January 2005 through December 2008) on new state-mandated health benefits would prohibit additional benefits from adding to future health insurance costs to the state or state employees. The specific impact is indeterminable and would depend on whether the state would have absorbed additional costs associated with future new mandates or whether the state would have passed part or all of the costs onto state employees.

Explanation of State Revenues:

Explanation of Local Expenditures: This bill could affect local expenditures to the extent that placing a temporary moratorium on new state-mandated health benefits would prohibit additional benefits from adding to future local health insurance costs incurred by local units of government and school corporations. The specific impact is indeterminable and would depend on whether the local unit or school corporation elected to absorb the cost or pass the costs onto employees, as cost sharing of health benefit premiums varies widely by locality.

Local government groups enrolled in the Local Unit Government Employees (LUGE) health plan have the same benefits as state employees, but are part of a separate risk pool. Currently, 28 local government groups

are enrolled in the plan, providing coverage for 868 employees.

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected: School districts and local governments purchasing health benefit coverage.

Information Sources:

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